



## THE CITY OF SAN DIEGO **MANAGER'S REPORT**

DATE ISSUED: January 31, 2001 REPORT NO. 01-012

ATTENTION: Honorable Mayor and City Council  
Docket of February 5, 2001

SUBJECT: Update on Program to Assist Special Needs Homeless Population

REFERENCE: Manager's Report No. 99-241 dated December 1, 1999 and Manager's  
Report No. 00-254 dated November 15, 2000

### SUMMARY

Issues - Should the City Council direct staff to continue implementation of the Special Needs Homeless Program through (1) continuing to collaborate with the County of San Diego in locating outside funding to provide programs and housing for the special needs homeless population; and (2) continuing to locate outside funding, identify sites and work with developers and non-profits to develop facilities for this program;

Manager's Recommendation - Direct staff to continue working with the County of San Diego, the Centre City Development Corporation, the Housing Commission,, developers and non-profit service providers to implement the Special Needs Homeless Program.

Rules Committee Recommendation - Direct staff to continue working with the above partners to implement this program.

Fiscal Impact - Some local CDBG funding may be requested as matching funds to leverage other state and federal monies for this program. All other funding will come from outside sources or agencies.

### BACKGROUND

The City of San Diego City Council has been proactive in providing homeless services over the last seven years. The Council established the first inclement weather homeless shelter in 1993, approved a Comprehensive Homeless Policy (000-51) in 1995, and began an emergency winter shelter program in 1996. The winter shelters served 1105 unduplicated persons in 1996. Last

year, in 1999-2000, that number had increased to 4,630. Funding added in 1999 assisted with case management and transitional housing for 12 homeless mentally ill persons. On November 14, 2000, the City Council approved the purchase of the Days Inn motel building on Cortez Hill downtown for use as temporary year-round housing for up to 50 families. On December 15, the 2000-2001 Winter Shelter program opened, with numbers expected to be similar to last year.

The city's Homeless Outreach Team (HOT) was established on October 1, 1998, and has been very effective in reaching the homeless in downtown and the nearby areas over the last year. A second HOT Team was added by the City Council in October 1999. These teams are comprised of two police officers, a County social worker and a psychiatric clinician, and are paid for jointly by the City Police Department, County Health and Human Services Agency, the Downtown Partnership and the Centre City Development Corporation (CCDC). The teams contact the homeless on the street, assess them, and refer them to appropriate services.

Estimates of the homeless population in downtown San Diego and the immediately surrounding communities vary widely, but, based on data developed by the Regional Task Force on the Homeless and the City's Homeless Outreach Team, range from approximately 2,200 to 3,700. Of these, approximately 25% (roughly 550-925) suffer from severe mental illness, and approximately 40% (roughly 880-1,480) are chronic inebriates or are addicted to drugs. Many from these populations are actually "dually-diagnosed," meaning they are mentally ill and have a drug or alcohol addiction. This special needs population is often the most visible and troublesome of the homeless population.

Despite the efforts of many homeless service agencies, a severe shortage of both short-term and long-term beds and permanent housing for the mentally ill, dually-diagnosed, and drug and alcohol addicted homeless persists. The HOT Teams have identified this lack of beds and programs as a major issue in effectively dealing with this population. In surveys conducted in 1999, homeless service providers consistently identified short- and long-term beds, programs and housing for this population as one of the top unmet needs. Although there are approximately 1,900 permanent (not seasonal) beds for the homeless in downtown and surrounding communities, only about 90 of these beds are in housing/treatment programs for the severely mentally ill homeless, and only 440 beds are in programs for drug and alcohol abusers.

On December 6, 1999, the City Council approved a five-part program to assist the special needs homeless population in the downtown area, and then adopted an amendment regarding location of facilities on January 31, 2000. This unique collaborative program between the City of San Diego, County of San Diego, CCDC, and the Housing Commission, in partnership with the private and non-profit homeless service providers, is part of the continuum of care to address the severely mentally ill, chronic inebriate, drug addicted and dually-diagnosed homeless.

The five elements of the Special Needs Homeless Program as approved by the City Council are:

1. Create Centralized Intake and Referral System and locate a facility

2. Build or Rehabilitate 100 Transitional Housing beds for severely mentally ill
3. Build or Rehabilitate 100 Permanent Supportive Housing units for severely mentally ill
4. Expand Residential Alcohol and Drug Treatment Programs for chronic inebriates, drug addicted and dually diagnosed by 80 beds
5. Evaluate and Expand Serial (Chronic) Inebriate Program

## DISCUSSION

This report is a one year update on progress made toward meeting the goals set forth in the Special Needs Homeless Program. The following discussion addresses funding issues, which are central to all aspects of the program, and then summarizes progress in four of the five elements of the program. The fifth element—serial inebriate evaluation and expansion—is discussed in a separate Manager’s Report entitled “Expansion of Serial Inebriate Program into Downtown.”

### **Funding Summary**

Staff has aggressively pursued state and federal funding sources to implement this program, leveraged with significant local funds from CDBG, the Housing Commission, and CCDC. Some results were discouraging, but expectations are high for the 2001 legislative sessions:

#### State

- AB 2034 - Mentally Ill Homeless Treatment Program funding requested from State Department of Mental Health via joint application of City, County, CCDC , Housing Commission, non-profit service providers submitted in October 2000. *Status: Awarded \$10.1 million for a 3-year program on November 2, 2000.*
- Budget/Special Legislation requested through Senators Peace and Alpert, and Governor’s Office for \$6.25 million in FY 2000-2001. *Status: Not successful this year.*

#### Federal

- Substance Abuse & Mental Health Services Administration (SAMHSA) budget earmark request through Congressmen Bilbray and Cunningham for \$2.5 million for facilities and services for the dually-diagnosed homeless. *Status: Not successful this year.*
- Funding earmark in HUD/VA Appropriations Bill through Senators Boxer and Feinstein for \$2.5 million for homeless veterans facilities, including special needs. *Status: Not successful this year.*

#### Local

- \$745,000 of local CDBG funding allocated by the Mayor and City Council for the Special Needs Homeless Program. *Status: Being used to purchase facility for a 20-bed transitional housing facility for the severely mentally ill; secure temporary leased housing for this population; and hire a staff member to assist the Homeless Coordinator.*

#### Private

- The non profit Alliance Health Care Foundation provided \$6,000 in funding for a study to assess current facilities and information systems available for the special needs homeless, and the Vista Hill Foundation provided initial funding for an outside consultant to begin

design of a new computer information system.

## **Special Needs Homeless Program Elements**

The following are the program elements adopted by the City Council on December 6, 1999, and the current status of each.

### **1. Central Intake and Referral System**

*City Council Direction: Develop and identify outside funding for a centralized system to coordinate intake, evaluation and referrals for this population, and provide central information on available programs, housing, demographic data and clinical outcomes by July 2000, or as soon as practicable, with initial system implementation by December 2000.*

#### *Accomplishments:*

*AB 2034 - County/City collaborative awarded \$10.1 million from the State Department of Mental Health on November 2, 2000 for a three-year program to place over 300 mentally ill and dually diagnosed homeless persons in downtown San Diego in housing and intensive case managed treatment. The program will include central intake, assessment, data coordination, rehabilitation, psychiatric services, referral to outside services, and both on-site and off-site medical and case management services. Extent of City/County collaboration was cited as significant reason for grant award.*

*Central Facility - The AB 2034 central homeless intake/referral function is housed in a temporary leased facility. City staff continues to search for a building to purchase as a permanent location for this program, potentially in conjunction with relocation of the downtown Volunteers of American (VOA) Detoxification Program. Partial funding to purchase a permanent building could come from \$2.5 million in SAMHSA funding to be proposed again this year.*

*Central Data System - A study prepared by a partnership between the City, Vista Hill Foundation, Alliance Health Care Foundation, and United Way assessed the current level of special needs homeless services, housing and facilities, and the current computer information systems available to track this information, as well as clients data. A centralized data information system that ties all existing systems together will now be designed, using the AB 2034 program as a pilot. A consultant provided by Vista Hill will prepare a preliminary recommendation so that grant funding can be pursued in 2001.*

### **2. Transitional Housing**

*City Council Direction: Secure funding for and assist in the location of two new or rehabilitated 25-bed transitional housing facilities for the severely mentally ill homeless by December 2000, and two additional 25-bed facilities by December 2001, to be located downtown*

*or in non-residential areas only. The first 25-bed facility is to be located in the downtown area.*

*Accomplishments:*

*Purchase of 20-Bed Transitional Housing facility* - \$525,000 of the CDBG funds allocated by the Mayor and Council on May 1, 2000 are being used in the purchase/rehabilitation of an existing apartment building at 5<sup>th</sup> Avenue and Olive in Hillcrest, just north of downtown, for use as 20-bed Safe Haven-model transitional housing facility for the severely mentally ill homeless. The Housing Commission is providing matching funds for the purchase/rehabilitation, as well as inspection services and pre-development funding. The County of San Diego has agreed to provide annual operating and services funding. The building will become the property of Episcopal Community Services at the end of a 55-year lease. ECS currently leases the building and runs several other Safe Haven programs.

*Transitional Housing RFQ/P* - CCDC issued an RFQ/P in May 2000 to elicit proposals from developers/service providers willing to provide transitional housing for this population or incorporate it into other low and moderate income projects. Several promising proposals were received in June, and are being fleshed out.

*Vietnam Veterans of San Diego* - Housing Commission staff is working with VVSD and Councilmember Wear on the development of 40 transitional beds at the existing VVSD site on Pacific Hwy, and the future development of permanent supportive housing at an expanded adjacent site. HUD/VA funding will be sought again this year in the amount of \$2.5 million for this project.

3. Permanent Supportive Housing

*City Council Direction: Secure funding for and assist in the location of 25 new or rehabilitated permanent supportive housing units for the severely mentally ill homeless in the downtown or surrounding areas by December 2000, and 75 additional units by December 2001. These 100 units are to be located downtown or in non-residential areas only.*

*Accomplishments:*

*Low Income/Mentally Ill Seniors* - A 220-unit very low income seniors apartment project downtown (Chelsea Market Square) has been approved by the Redevelopment Agency, and will include at least 25 units for mentally ill homeless seniors. Funding includes \$2.2 million from CCDC, as well as potentially state tax credits and a variety of other loans.

*Low Income/Mentally Homeless Apartments* - St. Vincent de Paul is proposing a 90 unit low income apartment project in East Village, with approximately 25 units for permanent supportive housing for the mentally ill homeless. The Housing Commission allocated \$2 million from the Housing Trust Fund for this project, and St. Vincent de Paul has applied for tax credits as well as other state funding with the Housing Commission's assistance.

*Section 8 Vouchers* - The Housing Commission agreed, as part of the AB 2034 proposal, to set aside 50 Section 8 certificates for use as permanent housing for the mentally ill homeless who are graduating from transitional programs. These clients would receive case management services from the County.

*Leased SRO units* - The City will lease up to 50 SRO units in the Metro Hotel currently run by the Alpha Project to be used as supportive housing for the mentally ill homeless through the AB 2034 program, using approximately \$85,000 in CDBG funds (through an exchange with the Housing Commission).

*State Project-Specific Funds* - The Housing Commission is working with potential supportive housing developers and the non-profit Corporation for Supportive Housing on obtaining state funding for specific low income multi-family and supportive housing projects.

#### 4. Expansion of Alcohol and Drug Treatment Capacity

*City Council Direction: Secure funding for and assist in the location of expanded drug and alcohol detoxification and long-term treatment programs and facilities for chronic inebriates and dually-diagnosed homeless by December 2000.*

##### *Accomplishments:*

*Expansion of Substance Abuse Programs* - As part of the Serial Inebriate Pilot Program in the Police Western Division area (discussed in separate Manager's Report), Mid-Coast Counseling received County funding which enabled mandatory treatment of 22 chronic inebriates during the period January-December 2000.

*Expansion of Substance Abuse Beds* - Volunteers of America, which operates the downtown Detoxification Center and long term alcohol treatment programs, applied for a SAMHSA grant for \$150,000 in partnership with the City and County Health and Human Services Department to operate a new 30-bed, dually-diagnosed substance abuse treatment facility. The proposal made the first cut at the federal level, but was ultimately not funded due to lack of sufficient funds. VOA is resubmitting in January 2001.

*Expansion of Detox and Substance Abuse Beds* - City, County and CCDC staff are looking for alternative locations for the leased VOA residential drug and alcohol treatment facility at Island Avenue, in order to do the following: 1) Expand the Inebriate Reception Center and 3-5 day detoxification program capacity by 40 beds, with 20 for the dually diagnosed; and, 2) Help create 40 additional short and long term treatment beds for the dually diagnosed. The IRC/detox portion could potentially be coupled with the homeless central intake/coordination facility described above in #1. Federal SAMSHA fund in the amount of \$2.5 million will be applied for again this year for this project, and

state funding will also be sought.

5. Evaluation and Expansion of Serial (Chronic) Inebriate Program

*City Council Direction: Evaluate the success of the first six months of the Police Department Western Division chronic inebriate arrest/treatment pilot program, and, if feasible, begin implementation in the downtown area by July 2000 or as soon as determined practicable.*

*Accomplishments:*

*Evaluation of SIP Pilot Program* - City staff has evaluated the Police Department Western Division serial inebriate arrest/treatment pilot program (SIP), which targeted chronic inebriates in Ocean Beach and Hillcrest beginning in January 2000. Based on Police Department statistics from the first 12 months of program operation, the SIP program has successfully diverted a significant number of long-term chronic homeless inebriates from jail, detox and the emergency rooms, and into treatment.

The details of the Serial Inebriate Program, an evaluation of the effectiveness, and the potential for expansion of the program into downtown, are contained in a separate Manager's Report entitled "Expansion of Serial Inebriate Program into Downtown."

ALTERNATIVES

Do not direct staff to continue working on implementing the Special Needs Homeless Program.

Respectfully submitted,

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Ann B. Hix, Program Manager  
Employee Relations and Special Projects

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Approved: Bruce Herring  
Deputy City Manager

HERRING/ABH